

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MONROE COUNTY)	
WATER DISTRICT OF MONROE COUNTY,)	
KENTUCKY, FOR A CERTIFICATE OF)	CASE NO. 94-148
PUBLIC CONVENIENCE AND NECESSITY)	
TO CONSTRUCT AND FINANCE PURSUANT)	
TO THE PROVISIONS OF KRS 278.023)	

O R D E R

On April 22, 1994, Monroe County Water District ("Monroe Water") filed an application for a Certificate of Public Convenience and Necessity to construct a \$1,130,000 waterworks improvement project and for approval of its plan of financing for this project. This project will provide service to 250 additional customers. Project funding includes a \$570,000 bond issue to be purchased pursuant to an agreement with Farmers Home Administration ("FmHA"), a \$500,000 grant from FmHA, and \$60,000 from applicants for service in the proposed project area. The bonds will be financed for a 40-year period from the date of the bond at an interest rate of 5 percent per annum.

Monroe Water's application was made pursuant to KRS 278.023 which requires the Commission to accept agreements between water districts and FmHA and to issue the necessary order to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on April 22, 1994, KRS 278.023

does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Monroe Water is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Monroe Water's proposed plan of financing with FmHA is accepted.

3. Monroe Water is authorized to issue bonds not to exceed \$570,000 to be held or insured by FmHA.

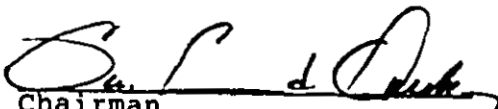
4. Monroe Water shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

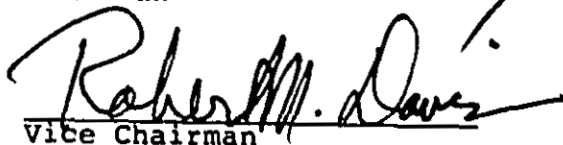
5. Monroe Water shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Monroe Water shall take immediate action to bring the system into compliance with Commission regulations.

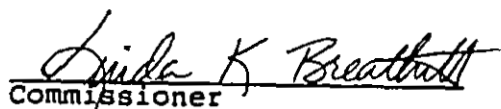
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 6th day of May, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director